

# NNewsline



*Delivering Technology Access to  
America's Communities*

## Residents Build Assets for Self-Sufficiency

In 1996, as part of welfare reform, the federal government authorized states to create community-based Individual Development Accounts (IDAs). These are accounts with incentives that encourage low-income people to save for eligible expenses such as college tuition or other assets that help individuals and families become economically independent. As incentives, public and private sponsors match dollars saved when IDA participants withdraw money to purchase these assets.

The Versailles Neighborhood Networks Learning Center in New Orleans, Louisiana, is helping residents move toward self-sufficiency by combining financial education with incentives to save and build assets. In partnership with the Individual Development Account Collaborative of Louisiana (IDACL), accessible at <http://idacola.tulane.edu>, the center offers a 12-week financial education course and a unique IDA savings program in which participants receive \$4 for each \$1 saved to use toward the purchase of *productive assets* such as postsecondary education, a small business, or a first home.

### Successful IDA Program

To provide incentives to save, IDACL uses surplus funds from Louisiana's Temporary Assistance for Needy Families (TANF) program to provide the \$4 to \$1 match when residents withdraw their money.

"Since we started the IDA program at Versailles a year ago, 130 people, including 20 Versailles residents, have graduated from the financial education workshop series and 160 people, including 20 residents, have started IDAs," says Center Director Melissa

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U.S. Department of Housing and Urban Development  
Office of Multifamily Housing Programs  
[www.NeighborhoodNetworks.org](http://www.NeighborhoodNetworks.org)



**Most participants are using their IDAs for postsecondary education(al) expenses (for example, tuition or books), and most are enrolling in one of two local community colleges. Some are taking general education programs, while others are pursuing nursing assistant or other allied health training careers.**

—Melissa Hughes  
center director, Versailles  
Neighborhood Networks  
Learning Center

Hughes. “Most of our IDA savings are for advanced education or training, but people have started IDAs for buying homes and starting businesses.” In the following paragraphs, Hughes describes residents’ experiences with the three types of IDAs.

**1. Postsecondary education.** “Most participants are using their IDAs for postsecondary education(al) expenses (for example, tuition or books), and most are enrolling in one of two local community colleges. Some are taking general education programs, while others are pursuing nursing assistant or other allied health training careers,” says Hughes.

**2. Starting a business.** “Two residents started IDAs for this purpose,” says Hughes. “John Nguyen, a Vietnamese refugee, started a tent rental business. Since the Vietnamese community frequently rents tents for festivals, funerals, and other occasions, he saw a need that a small business could fill.” Nguyen used his IDA to purchase four tents and an inflatable space walk that children use at parties. Another resident, Galatia Johnson, plans to start a home health business and Hughes is working with Johnson on her business plan.

**3. First-time homeownership.** IDAs can cover the downpayment or inspection fees associated with purchasing a home. “Four residents have started IDAs to buy their first homes,” Hughes explains. “Many renters are reluctant to buy homes because this is something they see as a risk, even when they can afford a monthly rent of \$600. We want residents to succeed as homeowners. Therefore, we do not encourage people to buy homes unless they have solid work histories and are earning enough to cover a mortgage, utilities, and all the expenses associated with homeownership.”

## IDA Steps

Anyone interested in participating in the Versailles IDACL program must apply and meet certain criteria:

- Income cannot exceed 200 percent of the 2004 federal poverty rate (\$18,620 for a one-person household and \$37,000 for a family of four);
- Applicant’s earned income must equal or exceed the amount to be saved each month;
- Applicant’s net worth as of the end of the preceding calendar year cannot exceed \$10,000; and

**Since Louisiana's surplus TANF funds used for the match will run out this autumn, we are not sure how to fund the IDA program in the future.**

*—Melissa Hughes  
center director, Versailles  
Neighborhood Networks  
Learning Center*

- Applicant must agree to attend economic literacy and asset-specific training, track household expenses, establish a spending plan, and follow the IDACL guidelines specified in the participant agreement.

Once IDA applicants receive approval, they can open savings accounts that participating banks provide free of charge. Residents must make regular deposits into their IDAs. As participants save, they are required to attend financial literacy classes that cover topics including expense tracking, budgeting, and credit building and repair. If participants plan to buy homes or start businesses, they also receive specific training related to that activity. When residents withdraw funds from the IDA to purchase an asset, they receive the \$4 to \$1 match, up to a total of \$4,000 for \$1,000 saved.

## **Challenges**

“Since Louisiana’s surplus TANF funds used for the match will run out this autumn, we are not sure how to fund the IDA program in the future,” says Hughes. “The Louisiana Collaborative and IDA program directors are scrambling to find funds to replace the TANF funds. We have a waiting list of Versailles and community residents who would like to participate but no guaranteed funding to continue the program. To publicize the need for funds, we are writing newspaper articles and airing public service radio announcements. We also urge residents to write letters to their elected officials to continue funding for the program.”

For more information about the Versailles Neighborhood Networks Learning Center, contact:

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**A résumé can give high school students an edge in the job market.**

*—Laurie Cose  
center director, Glenview  
Gardens Neighborhood  
Networks Center  
Glen Burnie, Maryland*

## **Résumés Work for Young Jobseekers**

**L**aurie Cose, Director of the Glenview Gardens Neighborhood Networks Center in Glen Burnie, Maryland, says, “A résumé can give high school students an edge in the job market. Most teenagers look for jobs by walking around malls and asking in person, which is not the best technique, but a teenager who sends a résumé is a bit of a novelty. Since résumés look more professional, teens who send them are more likely to get jobs.”

### **Résumé Template**

Cose developed a simple, one-page format for a résumé geared toward high school students and recent graduates. Patterned after a traditional résumé, this version is ideal for teenagers who participate in school and community activities, but have limited work experience. At the Glenview Gardens computer lab, students can download the template and then fill in their individual information.

After completing their résumés on the Neighborhood Networks center computer, the teenagers work with Cose to find possible employers. “We look through the Yellow Pages and then mail the résumé to the attention of either a manager or personnel director, depending on the type of business,” she explains. “One girl sent out 10 résumés and got 3 callbacks the next day. She took a job with the Shoppers’ Food Warehouse bakery.”

For more information about Glenview Gardens Neighborhood Networks Center, contact:

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E-mail: [glenviewlc@hotmail.com](mailto:glenviewlc@hotmail.com) ♦

## Sample Résumé

**Name**      XXXXX

**Address**   XXXXX

**Phone**     XXXXX

### **Job Objective**

I am seeking a part-time or full-time position. I am available to work day or evening shifts on any day of the week.

### **Future Goal**

To complete my high school education and enter into a sales profession.

### **Job History**

December 2003 to March 2004

Pizza Hut  
Glen Burnie, MD

Duties: Take Phone Orders, Customer Service, Cashiering, and Help Prepare Orders.

Reason for Leaving: To attend GED classes.

I also have experience in computer usage and childcare.

### **Organizations and Interests**

Baltimore Ravens Marching Band Member from  
November 2000 to March 2001.

Outside interests include working with children, taking care of animals, photography, and reading.



**Individuals can explore career choices and research sources of training and education to develop or enhance skills.**



## **One-Stop Career Centers— A Powerful Resource**

**T**he One-Stop Career Center System, coordinated by the U.S. Department of Labor (DOL) Employment and Training Administration, is a good place to start searching for employment and training resources to find a job or achieve career goals. The centers connect employment, education, and training services into a coherent network of resources at the local, state, and national levels. Students, recent college graduates, downsized professionals, individuals moving from welfare to work, veterans, people with disabilities, and anyone else in need of training or employment services can either visit a center in person or access their state's One-Stop Career Center Web site for convenient, easy access to information about jobs and career paths.

### **One-Stop Services**

Centers offer jobseekers print and electronic listings of local, state, and national job vacancies. Individuals and employers using One-Stop Career Centers to search for jobs and qualified workers are connected through America's Job Bank ([www.ajb.org](http://www.ajb.org)), which lists more than a million jobs nationwide, including job postings received from state public employment services. Jobseekers can use these resources to:

- Search employment listings by occupation, keyword, military code, and job number;
- Build and post a résumé online;
- Create cover letters to accompany their résumés;
- Set up an automated job agent or "scout" to receive information on available jobs, based on saved job-search criteria;
- Explore current wages and occupational trends; and
- Learn skills and hiring requirements.

Individuals can also explore career choices and research sources of training and education to develop or enhance skills. They also have access to job referral and placement services. Jobseekers can use self-assessments to gauge their skill levels, identify their training needs, locate providers to address these needs, and determine ways to fund their training goals.

Some centers provide videoconferencing facilities for long-distance job interviews. Center staff may be able to provide individual career assessment and counseling. Centers also offer training in areas such as job-search skills, résumé preparation, interviewing techniques, and networking. Clients enjoy free use of telephones, fax machines, photocopiers, and the Internet. They can receive assistance with filing unemployment assistance claims and applying for unemployment benefits, and they can also learn about employment and training providers' performance. Special programs for veterans; information on state, national, and local labor markets; and supportive services such as daycare and transportation are also available.

For employers looking for qualified workers, One-Stop Career Centers also can be a valuable resource. For example, through America's Job Bank, which lists more than 500,000 resumes online, employers can post job listings and create customized job orders.

Moreover, through the complementary America's Talent Bank, employers can search a database of résumés and automatically find people who meet their qualifications. Employers can also receive assistance with writing better job descriptions and gain access to wage data, allowing them to compare salary information for different occupations. Other valuable labor market information, such as job and industry growth trends, compliance information on federal legislation (including the Americans with Disabilities Act), and recruitment and prescreening of qualified applicants, is also available.

## **Resources**

For more information on One-Stop Career Centers, visit the **DOL Employment and Training Administration** at:

- [www.doleta.gov](http://www.doleta.gov);
- [www.doleta.gov/programs/factsht](http://www.doleta.gov/programs/factsht); and
- [www.dol.gov/dol/topic/training/onestop.htm](http://www.dol.gov/dol/topic/training/onestop.htm).

**America's Service Locator** ([www.servicelocator.org](http://www.servicelocator.org)) helps its users find One-Stop Career Centers and other employment and training services locally and nationwide.

The **Neighborhood Networks/DOL Internet link** ([www.nbpjobs.org/misc/Neighbor.asp](http://www.nbpjobs.org/misc/Neighbor.asp)) connects center computers directly to a personalized One-Stop Career Centers Web site. ♦

## 501(c)(3) Q & A for Neighborhood Networks Centers

### What is a 501(c)(3) organization?

According to the Internal Revenue Service (IRS), a 501(c)(3) organization is a corporation or foundation organized and operated exclusively for religious, charitable, scientific, testing, public safety, literary, or educational purposes for which no part of the net earnings benefits any private shareholder or individual; no substantial part of the activities carry on propaganda or otherwise attempt to influence legislation; and the organization does not participate in or intervene in—including the publishing or distributing of statements—any political campaign on behalf of or in opposition to any candidate for public office.

In other words, a 501(c)(3) organization is organized and operated exclusively for a charitable purpose, can provide no private benefit, is limited in activities that can influence legislation, and is prohibited from engaging in any electioneering activities.

### What is the difference between public and private 501(c)(3) organizations and how are Neighborhood Networks centers classified?

There are two types of 501(c)(3) organizations: public charities and private foundations. The primary distinction between these classifications is the source of financial support. A public charity has a broad base of support such as the general population, a number of different individuals, and/or government sources. Private foundations have fewer sources of support, with their funds perhaps coming from a limited pool of funders or even just one or two individuals. Neighborhood Networks centers that seek 501(c)(3) status from the IRS should describe themselves as public charities.

### What are the benefits of being classified as a public charity?

Some of the benefits of a center's being classified as a public charity include:

- Exemption from federal taxes on related business income;
- Exemption from state income taxes, sales taxes, and property taxes;
- Increased likelihood of receiving donations;



- Eligibility for federal, state, and municipal grants;
- Eligibility for grants from foundations (many foundations will not award grants to other private foundations or nonpublic charities);
- Eligibility for nonprofit mailing privileges, including cheaper postal rates; and
- Potential eligibility for cheaper advertising rates in publications.

Private foundations are more limited, facing more restrictions and being subject to certain taxes depending on their activities. Unless there is a specific reason why a Neighborhood Networks center cannot seek IRS classification as a public charity, it should do so.

### **How do centers apply for 501(c)(3) status?**

Before a center can become a 501(c)(3) entity, it must first show that it is incorporated within its state and that it exists for nonprofit reasons. Articles of incorporation are the actual incorporating documents in which an organization describes its organization structure, stating that it is organized and operated exclusively for an exempt purpose and that none of its earnings will benefit a private individual. These articles are usually filed with the state's secretary of state.

A center must next create bylaws, which are the internal governing procedures that determine the size and scope of the center's board of directors, officers, committees and membership, and so on.

In addition, centers must obtain an employer identification number (EIN) from the federal government. To apply for an EIN, centers must complete Form SS-4, Application for Employer Identification Number (call toll free at (800) 829-4933 or download and submit the online version of the form found at [www.irs.gov](http://www.irs.gov)). Once these steps have been completed, a center can file Form 1023, Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code, with the IRS. This form requires answers to questions about how a center is operated, its plans, its scope of activities, and its proposed budget. The more specifics that a center can provide on that form, the better. When filing this form, a center must include its articles of incorporation and bylaws. The application must be filed with the IRS within 15 months of the date of incorporation with the state.

**Maintaining a consortium does require collaborative planning and consensus building.**

### **What are the challenges and benefits of a Neighborhood Networks center's acquiring membership in a registered 501(c)(3) consortium?**

Most funders require applicants to have 501(c)(3) status to be eligible to apply for grants. Thus, a center without 501(c)(3) status is severely limited in its ability to raise funds. However, acquiring and maintaining 501(c)(3) status sometimes can be costly and seem overwhelming for an individual center. Forming a consortium with several other centers, partners, and Neighborhood Networks supporters can benefit all individual members. Costs and maintenance requirements can be divided among the membership. Only one organization acts as the fiduciary agent, diminishing administrative and recordkeeping requirements for member centers.

However, maintaining a consortium does require collaborative planning and consensus building. Consortium-wide activities and major fundraising must be coordinated, agreed upon, and carried out as a group to be successful. As with any other collaboration, the membership must come to a consensus about its business and its leadership. The fiduciary agent must be able and willing to follow through to implement the consensus.

### **Other Resources**

**Internal Revenue Service**, [www.irs.gov](http://www.irs.gov), has valuable information on acquiring 501(c)(3) status. The IRS has revamped a number of its basic publications on 501(c)(3) status.

**National Council of Nonprofit Associations**, [www.ncna.org](http://www.ncna.org), provides training and technical assistance at the state and local levels to state associations of nonprofits.

The **Strategic Tracking And Reporting Tool (START)** is an online business planning tool that can help center staff organize their data and information. START can provide invaluable assistance for centers seeking 501(c)(3) status. Visit the Neighborhood Networks Web site at [www.NeighborhoodNetworks.org](http://www.NeighborhoodNetworks.org) or call the Neighborhood Networks Information Center (toll free) at (888) 312-2734 for more information about START. ♦

## **Educational Freeware Available for Center Programs**

**N**eighborhood Networks centers can use educational freeware to broaden and strengthen afterschool and summer learning programs. Many free downloadable programs on geography, mathematics, science, and language arts are available on the Internet. The following list provides only a sample of programs that you can use to enhance your center's programs.

### **Geography**

The African Geography Tutor and the European Geography Tutor make it easy for students to learn the names and locations of all countries in Africa and Europe. The programs have a study mode that allows users to explore the names and locations of countries in addition to two types of quizzes to test their knowledge. This freeware is available for Africa at <http://familygames.com/free/agt.html> and for Europe at <http://familygames.com/free/egt.html>. Similarly, the United States Geography Tutor makes it easy for students to learn the names and locations of the contiguous 48 states. The U.S. tutor can be found at <http://familygames.com/free/ugt.html>.

### **Mathematics**

IronHead: MathFlash is a flashcard program for grades K–3, featuring a repeat system that emulates the way a teacher would practice one-to-one drills. In addition, its Auto Teach mode advances students from selected mathematics levels automatically as they improve, making home use effective. MathFlash is available at <http://home.earthlink.net/~chiuchimu/index.html>.

### **Language**

English Computerized Learning, Inc., offers a free introductory grammar and vocabulary program on its Web site. Users can download and run the program, which provides exercises to improve vocabulary and English usage. Look for this program at [www.englishlearning.com/en/index.html](http://www.englishlearning.com/en/index.html).

CyberSleuth Kids offers links, online resources, and downloadable programs that centers can use to broaden the range of educational computer programs available to students. CyberSleuth Kids resources include arts and crafts, history, math, science, and language arts and is available at <http://cybersleuth-kids.com>. ♦



## Technical Assistance Guides

The following Technical Assistance guides are available from the Neighborhood Networks Web site. They can be downloaded at <http://www.hud.gov/offices/hsg/mfh/nnw/resourcesforcenters/nnwpublicationsguides.cfm>:

*Special Event Planning Guide* (2004)

*Lessons Learned in Starting and Operating a Neighborhood Networks Center* (2004)

*How to Design and Deliver an Effective Employment Program* (2002)

*Neighborhood Networks Guide to Information, Training and Technical Assistance Providers* (2002)

*How Neighborhood Networks Centers Can Support Microenterprises* (2002)

*Youth Education Programs for Neighborhood Networks Centers* (2002)

*Engaging Education: Integrating Work, Technology, and Learning for Adults* (2002)

*How to Design and Deliver an Effective Outsourcing Program: Creating New Businesses and Jobs for Residents* (2002)

*Connecting to the Internet: A Guide for Neighborhood Networks Centers* (2002)

*Creating Employment and Entrepreneurship Opportunities for Youth* (2002)

*Media Relations Guide for Neighborhood Networks Grand Openings* (2002)

*Helping Residents Achieve Self-Sufficiency: How to Design and Deliver Career Growth and Advancement Assistance* (2002)

*How to Design and Deliver an Effective Job Development and Placement Program* (2002)

*Engaging Adults in Literacy Programs* (2002)

*Funding Educational Programs at Neighborhood Networks Centers* (2000)

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